

# Belvedere

Equipment Finance

RECORDATION NO. **18203** FILED 1425

APR 11 1993 10:55 AM

April 13, 1993

INTERSTATE COMMERCE COMMISSION  
3-110A002

Secretary, Interstate Commerce Commission  
12th and Constitution Avenue NW  
Room 2303  
Washington, D.C. 20423

Dear Secretary,

I have enclosed an original and one counterpart of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

The documents are an equipment financing agreement dated March 8, 1993, schedule 1 to such agreement and certificate of acceptance 1 to such schedule.

The names and addresses of the parties to the documents are as follows:

Secured party: University National Bank & Trust Company  
c/o Belvedere  
643 Bair Island Road, Suite 111  
Redwood City, CA 94063

Debtor: Locomotive Leasing Service, Ltd.  
11811 I-10 East, Suite 620  
Houston, TX 77029

The equipment covered by the documents includes the locomotives set forth in Schedule A to the certificate of acceptance.

A fee of \$16.00 is enclosed.

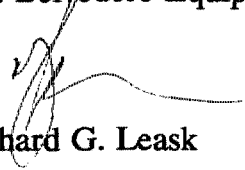
643 Bair Island Road, Suite 111  
Redwood City, CA 94063  
(415) 599-9050  
Facsimile (415) 599-9831

A short summary of the document to appear in the index follows:

Equipment financing agreement dated March 8, 1993 between University National Bank & Trust Company as secured party and Locomotive Leasing Service, Ltd as debtor together with Schedule 1 to such agreement and Certificate of Acceptance 1 to such schedule, covering fifteen railroad locomotives identified by the following numbers: 2579, 2478, 7225, 7227, 2473, 2884, 6563, 7226, 2452, 2604, 2572, 2580, 7231, 2534, 7229.

Yours truly,

UNIVERSITY NATIONAL BANK & TRUST COMPANY  
BY: Belvedere Equipment Finance Corporation as agent



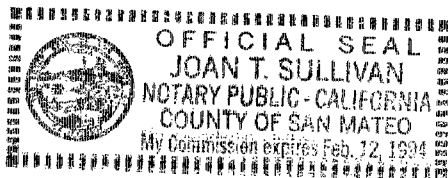
Richard G. Leask

State of San Mateo  
County of California }

On 4/14/93 before me, Joan T. Sullivan  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Richard G. Leask  
NAME(S) OF SIGNER(S)

☐ personally known to me - OR - ☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Joan T. Sullivan  
SIGNATURE OF NOTARY

**OPTIONAL SECTION**

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

TITLE OR TYPE OF DOCUMENT Interstate Commerce Filing Statement

NUMBER OF PAGES 2 DATE OF DOCUMENT 4/13/93

SIGNER(S) OTHER THAN NAMED ABOVE \_\_\_\_\_

**OPTIONAL SECTION**

**CAPACITY CLAIMED BY SIGNER**

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

☐ INDIVIDUAL  
☒ CORPORATE OFFICER(S)  
President  
TITLE(S)

☐ PARTNER(S) ☐ LIMITED  
☐ GENERAL

☐ ATTORNEY-IN-FACT

☐ TRUSTEE(S)

☐ GUARDIAN/CONSERVATOR

☐ OTHER: \_\_\_\_\_

**SIGNER IS REPRESENTING:**

NAME OF PERSON(S) OR ENTITY(IES)

\_\_\_\_\_  
\_\_\_\_\_

APR 1 1993 10:05 AM

INTERSTATE COMMERCE COMMISSION

Agreement Reference Number:  
92081401

# EQUIPMENT FINANCING AGREEMENT

This Equipment Financing Agreement ("Agreement") is dated as of the date set forth at the foot hereof and is between the secured party ("Secured Party") and the debtor ("Debtor") designated at the foot hereof.

Secured Party and Debtor agree as follows:

- Equipment; Security Interest.** This Agreement covers the equipment and other property (individually "item" and collectively "Equipment") described in each schedule ("Schedule") now or hereafter executed by Secured Party and Debtor and incorporated herein by reference. Debtor hereby grants Secured Party a security interest in and to all Debtor's right, title and interest in the Equipment under the Uniform Commercial Code, such grant with respect to an item to be as of the later of Debtor's execution of the related Schedule or as of such subsequent time as Debtor acquires an interest in the item. Such security interest is granted to secure performance by Debtor of Debtor's obligations to Secured Party hereunder and under any other agreements under which Debtor has or may hereafter have obligations to Secured Party. Debtor will ensure that such security interest will be and remain a sole and valid first lien security interest subject only to the lien of current taxes and assessments not in default but only if such taxes are entitled to priority as a matter of law.
- Debtor's Obligations.** Debtor's obligations as to an item [except the obligation to pay installment payments], commence upon the grant to Secured Party of a security interest in the item. Debtor's obligations and Secured Party's security interest in an item will continue until payment of all amounts due, and performance of all terms and conditions required, hereunder with respect thereto; provided, however, that if this Agreement is then in default, the obligations and security interest will continue during the continuance of the default. Upon termination of Secured Party's security interest in an item Secured Party will execute any release of interest Debtor reasonably requests.
- Installment and Other Payments.** Debtor will repay the advance Secured Party makes on account of an item together with interest without notice or demand at the times and in the amounts specified in the applicable Certificate of Acceptance. Each date upon which an installment is payable shall be an "Installment Date". Except as otherwise stated, all other amounts payable hereunder shall be payable on demand. Secured Party may apply payments received from Debtor to Debtor's obligations to Secured Party in such order as Secured Party chooses. With respect to any amount not paid when due hereunder, Debtor shall pay to Secured Party the lesser of (a) a late charge in the amount of \$25 and interest on such overdue amount at the rate of 1 1/2% per month commencing as of the date such amount is due or (b) such lesser amount as may be set by applicable law.
- No Offset.** Debtor's obligation to pay all installment payments and all other amounts payable hereunder shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment for any reason whatsoever.
- Agreement for Financing Only.** THIS AGREEMENT IS SOLELY A FINANCING AGREEMENT. DEBTOR ACKNOWLEDGES THAT THE EQUIPMENT HAS OR WILL HAVE BEEN SELECTED AND ACQUIRED SOLELY BY DEBTOR FOR DEBTOR'S PURPOSES, THAT SECURED PARTY IS NOT AND WILL NOT BE THE VENDOR OF ANY EQUIPMENT AND THAT SECURED PARTY HAS NOT MADE AND WILL NOT MAKE ANY AGREEMENT, REPRESENTATION OR WARRANTY WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALIFICATION OR FITNESS FOR A PARTICULAR PURPOSE OR VALUE OF THE EQUIPMENT OR ANY OTHER MATTER WITH RESPECT THERETO IN ANY RESPECT WHATSOEVER.
- Taxes.** Debtor will make all returns as to and pay when due all personal property taxes and governmental assessments related to the Equipment and shall pay as directed by Secured Party or reimburse Secured Party for all other taxes and other governmental assessments (exclusive of federal and state taxes based on Secured Party's net income, unless such taxes are in substitution for or relieve Debtor from any taxes which Debtor would otherwise be obligated to pay under the terms of this paragraph 6) imposed on the Equipment, amounts due hereunder or otherwise related to this Agreement or the Equipment. Returns in connection with such latter obligations shall, at Secured Party's option, be prepared and filed by Secured Party or by Debtor in such manner as Secured Party shall direct.
- Use; Maintenance; Operation; Equipment Marking; Inspection.** Debtor agrees that each item shall be used in compliance with all applicable statutes, laws, ordinances and regulations, shall at all times be used solely in Debtor's business and shall be and remain solely in the possession and control of Debtor. No item shall be removed from the Equipment Location set forth in the applicable Certificate of Acceptance without Secured Party's prior written consent, which consent shall not be unreasonably withheld. Debtor shall repair and maintain each item so as to keep it in as good condition as when delivered to Debtor, ordinary wear and tear excepted. Debtor shall carry a service contract offered by a competent servicing entity on each item of a type for which service contracts are generally maintained. Debtor shall not affix or install any accessory, equipment or device on any item or make any improvement or addition thereto which cannot be removed without causing material damage to such item without the prior written consent of Secured Party. All additions, attachments and accessories at any time made or placed upon an item shall become part of such item and subject to the security interest of Secured Party. Debtor agrees, at its own cost and expense, to cause each item to be kept numbered with the identification or serial number therefor specified in the applicable Certificate of Acceptance and agrees to mark each item as requested by Secured Party. Upon the request of Secured Party, Debtor shall confirm to Secured Party the location of each item and shall, at any reasonable time, make each item and Debtor's records pertaining thereto available to Secured Party for inspection.
- Lease; Liens; Assignment.** Debtor shall not without Secured Party's prior written consent lease or otherwise relinquish possession of any item, permit any other party to use any item or create or allow any lien or encumbrance not created by Secured Party to attach to any Equipment or assign Debtor's duties under this Agreement. Secured Party or its assignees may assign or encumber this Agreement, the installment payments due hereunder or Secured Party's security interest in the Equipment, and Debtor hereby consents to all such assignments and pledges. In the event of any such assignment of installment payments hereunder and written notice thereof to Debtor, Debtor agrees unconditionally to pay directly to the assignee all installment payments and other sums specified in the notice which are due or become due under this Agreement. THE RIGHTS OF ANY SUCH ASSIGNEE SHALL NOT BE SUBJECT TO ANY DEFENSE, COUNTERCLAIM OR SET-OFF WHICH DEBTOR MAY HAVE AGAINST SECURED PARTY OR ANY OTHER PARTY.

THIS AGREEMENT IS CONTINUED ON THE REVERSE SIDE HEREOF.

Debtor acknowledges Debtor has read this Agreement and is aware of all of the terms hereof. The person executing this Agreement on behalf of Debtor hereby certifies that he or she is duly authorized to do so.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of March 8, 1993.

## SECURED PARTY

University National Bank & Trust Company

By Belvedere Equipment Finance Corporation as agent

SIGNATURE

NAME

TITLE

ADDRESS:

c/o Belvedere Equipment Finance Corporation as agent  
643 Bair Island Road, Suite 111  
Redwood City, CA 94063

## DEBTOR

Locomotive Leasing Service, Ltd.

SIGNATURE

NAME

PRESIDENT

TITLE

ADDRESS:

11811 I-10 East, Suite 620  
Houston, TX 77029

9. **Loss or Destruction.** Debtor shall promptly notify Secured Party of any loss, material damage, destruction, theft, confiscation or requisition of an item. If the item is damaged and cannot in Secured Party's reasonable judgement be repaired, or is destroyed, lost, stolen, confiscated, requisitioned, permanently rendered unfit for any reason whatsoever or suffers a constructive loss as defined in an insurance policy carried hereunder (any such occurrence being referred to as an "Event of Loss"), Debtor on the Installment Date next following the date of such Event of Loss or on a subsequent installment date no later than ninety days following such Event of Loss shall pay to Secured Party, as the "Casualty Value" of such item, an amount equal to the sum of (a) all then due or past due amounts under this Agreement and (b) the unpaid balance of the total installment payments for the item discounted to present value at 6.0% per annum from the dates the payments would have otherwise been paid to the Installment Date next following the date of such Event of Loss. Debtor acknowledges that the 6.0% discount rate specified in this section is set forth solely for the purpose of calculating the Casualty Value and is not intended to represent the interest rate applicable to the financing provided under this Agreement. Following payment of the Casualty Value of an item which has suffered an Event of Loss, Debtor's installment payment liability for the item shall be satisfied. Any proceeds received by Secured Party under an insurance policy maintained by Debtor hereunder with respect to an item suffering an Event of Loss shall be applied to Debtor's obligations hereunder with Debtor remaining liable for any deficiency.

10. **Insurance.** Debtor shall cause to be carried and maintained casualty insurance with respect to each item in an amount not less than the Casualty Value thereof. Upon request Debtor will provide public liability insurance in an amount satisfactory to Secured Party. Policies with respect to such insurance shall be primary and (a) be with an insurance carrier acceptable to Secured Party, (b) name Secured Party and its assigns as loss payee and, if appropriate, additional insured, (c) provide for at least 10 days prior written notice by the insurance carrier to Secured Party and its assigns in the event of cancellation, expiration or material modification, and (d) provide breach of warranty protection where applicable. Copies of such policies, or certificates of insurance acceptable to Secured Party, shall be furnished to Secured Party.

11. **Secured Party Payments.** If Debtor fails to pay any amount due hereunder or to perform any of its obligations hereunder, Secured Party may, at its option without any obligation to do so, pay such amounts or perform such obligations, and Debtor shall reimburse Secured Party such payment or cost of such performance.

12. **Events of Default.** The term "Event of Default", wherever used herein, shall mean any of the following events: (a) Debtor shall fail to make any installment payment within 10 days after Secured Party has given notice to Debtor that the same has become due; (b) Debtor shall fail to maintain insurance for any item as required by paragraph 10; (c) Debtor shall attempt to remove, sell, transfer, encumber, part with possession, assign or lease any item without Secured Party's consent; (d) Debtor shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Agreement, any agreement, document or certificate delivered by Debtor in connection herewith or any other agreement under which Debtor has obligations to Secured Party and such failure shall continue for 20 days after written notice thereof from Secured Party to Debtor; (e) any representation or warranty made by Debtor in this Agreement or by Debtor or a guarantor in any document furnished by Debtor or the guarantor in connection herewith shall prove to have been incorrect in any material respect when such representation or warranty was made or given; (f) death or declaration of incompetency of Debtor or a guarantor if an individual, provided that prior to any such event becoming an event of default, Secured Party will consult with Debtor and following such consultation, Secured Party shall deem itself insecure; (g) a petition in bankruptcy or for reorganization or arrangement shall be filed by or against Debtor or a guarantor, or Debtor or a guarantor shall make an assignment for the benefit of creditors or consent to the appointment of a trustee or a receiver, or a trustee or a receiver shall be appointed for Debtor or a guarantor, or for any item, or for a substantial part of Debtor's or a guarantor's property without Debtor's or guarantor's consent, and, if involuntary, such proceeding, trustee or receiver shall not be dismissed within a period of 45 days; or (h) there is a transfer of effective control of Debtor, if an organization.

13. **Remedies.** Upon the occurrence of any Event of Default, Secured Party will have the rights, options, duties and remedies of a secured party, and Debtor will have the rights and duties of a debtor under the Uniform Commercial Code and, without limiting the foregoing, Secured Party may exercise any one or more of the following remedies: (a) declare the Casualty Value (or such lesser amount as may be set by law) immediately due and payable with respect to any or all items of Equipment without notice or demand to Debtor; (b) sue from time to time for and recover all installment payments and other payments then accrued and which accrue during the pendency of such action with respect to any or all items; (c) take possession of and, if deemed appropriate, render unusable any or all items, without demand or notice, wherever same may be located, without any court order or other process of law and without liability for any damages occasioned by such taking of possession and remove, keep and store the same, or use and operate or lease the same until sold; (d) require Debtor to assemble any or all items at the Equipment Location therefor, such location to which Equipment may have been moved, with the written consent of Secured Party or such other location in reasonable proximity to either of the foregoing as Secured Party designates; (e) upon ten (10) days notice to Debtor or such other notice as may be required by law, sell or otherwise dispose of any item, whether or not in Secured Party's possession, in a commercially reasonable manner at public or private sale at any place deemed appropriate and apply the net proceeds of such sale, after deducting all costs of such sale, to the obligations of Debtor to Secured Party hereunder or otherwise, with Debtor remaining liable for any deficiency and with any excess being returned to Debtor; (f) upon thirty (30) days notice to Debtor, retain any repossessed or assembled items as Secured Party's own property in full satisfaction of Debtor's liability for the installment payments due hereunder with respect thereto, provided that Debtor will have the right to redeem such items by payment in full of its obligations to Secured Party hereunder or otherwise or to require Secured Party to sell or otherwise dispose of such items in the manner set forth in subparagraph (e) hereinabove upon notice to Secured Party within such thirty (30) day period or (g) utilize any other remedy available to Secured Party under the Uniform Commercial Code or similar provision of law or otherwise at law or in equity. Debtor shall be liable for all costs, charges and expenses, including court costs, attorneys' fees, repossession costs and refurbishment expenses, incurred by Secured Party by reason of the occurrence of any Event of Default or the exercise of Secured Party's remedies with respect thereto. No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Secured Party. No failure on the part of Secured Party to exercise, and no delay in exercising, any right or remedy shall operate as a waiver thereof or modify the terms of this Agreement, nor shall any single or partial exercise by Secured Party of any right or remedy preclude any other or further exercise of the same or any other right of remedy.

14. **Debtor Representations.** Debtor represents and warrants that this Agreement has been duly authorized, executed and delivered by Debtor and is a valid and binding obligation of Debtor enforceable in accordance with its terms. Debtor warrants that all information furnished by Debtor or a guarantor now or hereafter is or shall be true and correct as of the date submitted to Secured Party. Debtor further represents and warrants that (a) Debtor is duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation, is duly qualified to do business in each jurisdiction where any item is, or is to be, located and has full corporate power and authority to hold its property; (b) the execution, delivery and performance by Debtor of this Agreement have been duly authorized by all necessary action on the part of Debtor, do not violate any law or governmental rule, regulation or order applicable to Debtor, do not and shall not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which it is bound and are not in violation of Debtor's articles or by-laws, if a corporation, or other organizational documents, if another form of organization; and (c) no action in respect of or by any state, federal or other governmental authority or agency is required with respect to the execution, delivery and performance by Debtor of this Agreement.

15. **Notices.** All communications and notices provided for herein shall be in writing and shall become effective when deposited in the United States mail, certified mail, return receipt requested, addressed to Secured Party or Debtor, as appropriate, at the respective address set forth above, or at such other address as Secured Party or Debtor may from time to time give the other by notice given in accordance herewith.

16. **Further Assurances.** Debtor shall promptly obtain, execute and/or deliver to Secured Party such further documents, including, without limitation, financial statements, financing statements, real property waivers and notices of assignment as Secured Party may reasonably request to carry out the intent of this Agreement.

17. **Civil Indemnity.** Debtor assumes liability for, and hereby agrees to indemnify, protect and keep harmless Secured Party, its agents, employees, officers, directors, successors and assigns from and against any and all liabilities, obligations, losses, damages, costs, actions, suits, expenses (including reasonable legal fees), disbursements and claims (including claims based upon strict liability or involving latent defects whether or not discoverable by Debtor or Secured Party and whether or not occurring during the period Debtor remains financially liable hereunder) of any kind or nature whatsoever in any way relating to or arising out of this Agreement or the transactions contemplated by this Agreement, the installment payments, receipts or earnings arising therefrom, or any item including the manufacture, selection, purchase, acceptance, delivery, financing, possession, use, operation, maintenance, condition, return, storage or disposition thereof, regardless of where, how and by whom operated, or any failure on the part of Debtor to perform or comply with any condition of this Agreement. This indemnity does not cover any amounts that would otherwise be payable hereunder arising from the breach of this agreement or active negligence on the part of Secured Party or its successors in physically operating the Equipment. Further, Debtor does not assume liability for any costs incurred by Secured Party which are unnecessary.

18. **General Provisions.** This Agreement and all agreements, covenants, representations and warranties in any certificate or document delivered by Debtor in connection herewith shall be binding upon and inure to the benefit of Secured Party and Debtor and their respective successors, assigns, personal representatives, heirs and legatees. This Agreement constitutes the entire agreement of the parties as to the financing of the Equipment. The terms of this Agreement shall not be waived, altered, modified, amended or supplemented in any manner whatsoever except by a written instrument signed by the party to be held responsible. All agreements, indemnities, obligations, representations and warranties in this Agreement or in any document or certificate delivered pursuant hereto or in connection herewith shall survive execution and delivery of this Agreement and satisfaction of all installment payment obligations hereunder. Debtor acknowledges that any manufacturer, vendor, retailer, distributor or wholesaler from whom Debtor has selected the Equipment is not an agent, servant or employee of Secured Party. This Agreement shall be construed in accordance with, and shall be governed by, the laws of the State of California. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be ineffective as to such jurisdiction to the extent of such prohibition or unenforceability without invalidating any other provision. Paragraph headings are solely for the convenience of the parties and are not an aid in the interpretation of this Agreement. Time is of the essence of each provision of this Agreement.

CERTIFICATE OF ACCEPTANCE 1 TO SCHEDULE NUMBER 1

This Certificate of Acceptance is executed in accordance with and is hereby integrated into and made a part of the Equipment Financing Agreement identified by the Agreement Reference Number set forth above as supplemented by the above-referenced Schedule, between the parties thereto.

1. Equipment Description:

Quantity	Description	Amount
	See attached schedule.	
	TOTAL ADVANCE	\$729,000.00

2. Equipment Location: See attached schedule.

3. Payments:

- a. Interim Payment. \$3,000.56 payable on the Acceptance Date.
- b. Installment Payments. \$14,991.89 payable on the Acceptance Date, \$14,991.89 payable on each consecutive monthly anniversary of the Interim Expiration Date until 60 Installment payments have been made.
- c. Advance Installments. \$14,991.89, payable on the Acceptance Date.

4. Conditions of Agreement:

- a. Items of Equipment. Debtor hereby certifies that the Equipment set forth and described above has been (i) delivered to and inspected by Debtor, (ii) found to be in good order and (iii) accepted as Items under the Agreement on the Acceptance Date set forth below.
- b. Representations by Debtor. Debtor hereby represents and warrants to Secured Party that on the Acceptance Date set forth below (i) no Event of Default under the Agreement or event which, with the giving of notice or the lapse of time, or both, would become such an Event of Default, has occurred, (ii) the advance amount set forth above and/or any other charges indicated are true and correct and (iii) each Item is located at the location set forth above.

ACCEPTANCE

LOCOMOTIVE LEASING SERVICE, LTD.

X Richard R. Scott  
SIGNATURE

X Richard R. Scott  
NAME

X President  
TITLE

ACCEPTANCE DATE: March 26, 1993

3/05/93

SCHEDULE "A"

<u>Unit</u>	<u>Type</u>	<u>Cost</u>	<u>Location</u>
2579	CF7	54,000.00	Armco Steel
2478	CF7	54,000.00	Greensport Industrial Park 13609 Industrial Road Houston, TX 77015
7225	SW900	42,000.00	Conagra, Inc. 408 E. Magnolia Sherman, TX 75090
7227	SW900	42,000.00	Ryan Walsh 101 Barbours Cut Blvd. Laporte, TX 77571
2473	CF7	54,000.00	Forth Worth & Western Railroad 1801 Windsor Place Fort Worth, TX 76121
2884	GP9	39,000.00	USX Realty
6563	GP30	48,000.00	4200 Cedar Bayou
7226	SW900	42,000.00	Baytown, TX 77520
2452	CF7	54,000.00	North Star Steel
2604	CF7	54,000.00	Old Hwy. 90 Beaumont, TX 77701
2572	CF7	54,000.00	Hoechst Celanese
2580	CF7	54,000.00	FM 3057 Bay City, TX 77414
7231	SW900	42,000.00	Hoechst Celanese Hwy 77 Bishop, TX
2534	CF7	54,000.00	EI DuPont SRW
7229	SW900	42,000.00	FM 1006 Orange, TX 77831

INITIAL



**SCHEDULE NUMBER 1 TO EQUIPMENT FINANCING AGREEMENT**

This Schedule is executed in accordance with and is hereby integrated into and made a part of the Equipment Financing Agreement identified by the Agreement Reference Number set forth above between the parties hereto.

1. **Equipment Description:** Equipment shall be acceptable to Secured Party and may include: locomotives described in Certificates of Acceptance prepared by Secured Party and executed by Debtor from time to time.
2. **Equipment Location:** various locations set forth on applicable certificates of acceptance.
3. **Commitment Amount:** The advance as to an Item shall equal the invoice amount therefore and the total advance as to the Equipment shall not exceed \$800,000. Secured Party shall have no obligation to finance Equipment delivered to and accepted by Debtor after March 31, 1993, unless Secured Party otherwise agrees in writing. Secured Party shall have no obligation to finance any Equipment for Debtor not covered by a Certificate of Acceptance signed by Debtor and received by Secured Party if (i) an Event of Default under the Agreement has occurred or (ii) there has been a material adverse change in Debtor's financial condition or Debtor's probable ability to perform its obligations under the Agreement.
4. **Repayment of Advances:**
  - a. **Interim Payment.** Debtor agrees to pay Secured Party an interim interest payment for each Item on the Acceptance Date set forth in the Certificate of Acceptance of .0686% of the amount advanced by Secured Party for that Item multiplied by the number of days from and including the Acceptance Date to but excluding the first day of the month immediately following the Acceptance Date (the "Interim Expiration Date").
  - b. **Installment Payments.** Debtor agrees to repay the amount advanced by Secured Party for each Item in installments, including interest, as follows: 60 monthly installments equal to 2.0565% of the advance amount for such Item as set forth on the applicable Certificate of Acceptance with the first installment due on the Acceptance Date for that Item and subsequent installments due on each consecutive monthly anniversary of the Interim Expiration Date for that Item.
  - c. **Advance Installments.** Debtor agrees to pay Secured Party as advance installments for each Item on the Acceptance Date 2.0565% of the total advance for that Item, such advance installments to be applied toward the final and then preceding monthly installments.
  - d. **Implicit Rate.** The implicit interest rate in this transaction is 9.25% per annum based on the assumption that all payments will be made on the exact due date and each year consists of twelve months of thirty days each.
5. **Debtor's Acknowledgement:**

Debtor acknowledges that neither Secured Party nor any agent of Secured Party has made any statement or representation concerning the financing provided to Debtor under the Equipment Financing Agreement other than as set forth in this Schedule and in the Equipment Financing Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Schedule as of March 8, 1993.

**SECURED PARTY**

University National Bank & Trust Company  
By Belvedere Equipment Finance Corporation as agent

SIGNATURE

NAME

TITLE

**DEBTOR**

Locomotive Leasing Service, Ltd.

SIGNATURE

NAME

TITLE